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August 12, 2002

VIA FEDERAL EXPRESS

Honorable James H. Welsh Commissioner of Conservation Office of Conservation 617 North Third Street, 9th Floor Baton Rouge, Louisiana 70802

Re:

Application of Dunhill Resources I, LLC Cris I Sand, Reservoir A, Sand Unit A

Vermilion Block 28 Field, Offshore Vermilion Parish, Louisiana

Our File: 3617-21486

Dear Commissioner Welsh:

APPLICATION IS HEREBY MADE on behalf of **Dunhill Resources I, LLC** to the Commissioner of Conservation for the calling of a public hearing, after legal notice, to consider evidence relative to the issuance of an Order pertaining to the following matters relating to the Cris I Sand, Reservoir A, Sand Unit A, Vermilion Block 28 Field, Offshore Vermilion Parish, Louisiana. In its Application, Dunhill Resources I, LLC intends to request the Commissioner of Conservation to issue an order regarding the following, to-wit:

- 1. To create a single drilling and production unit of approximately 190 acres for the Cris I Sand, Reservoir A, designated as the Cris I Sand RA SUA, Vermilion Block 28 Field, Offshore Vermilion Parish, Louisiana, all as shown more particularly on the attached plat;
- 2. To establish rules and regulations governing the exploration for and production of gas and condensate from the Cris I Sand, Reservoir A, in the Vermilion Block 28 Field, Offshore Vermilion Parish, Louisiana;
- 3. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the proposed unit, with each tract sharing in unit production on a surface acreage basis of participation;

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- 4. To designate Dunhill Resources, Inc. as the unit operator for the Cris I Sand RA SUA;
- 5. To designate the Dunhill Resources, Inc.—State Lease 8681 No. 2 Well, located in Vermilion Block 28, Offshore Vermilion Parish, Louisiana, as the unit well for the Cris I Sand RA SUA; and
- 6. To consider such other matters as may be appropriate and justified by the evidence presented at the hearing.

The Cris I Sand in the Vermilion Block 28 Field, Offshore Vermilion Parish, Louisiana, is defined as being that gas and condensate bearing sand encountered between the electric log depths of 10,341 feet and 10,368 feet in the Dunhill Resources, Inc. (Linder Oil Company)—State Lease 8681 Well No. 2, located in Vermilion Block 28, Offshore Vermilion Parish, Louisiana.

In accordance with the Rules of Procedure for Conducting Hearings Before the Commissioner of Conservation of the State of Louisiana, the Commissioner of Conservation, the District Manager of the Lafayette District of the Office of Conservation and all Interested Owners, Represented Parties and Interested Parties then known to the applicant after a reasonable search were notified in writing in the Pre-Application Notice dated May 20, 2002 that a conference to discuss the proposed application was tentatively scheduled for 10:00 a.m. on Monday, June 10, 2002. It was stated at that time that this conference would be held only if a request to confer were received by the undersigned within ten (10) calendar days after the date of the Pre-Application Notice. No requests to confer were received either in writing or by telephone. A separate Notice to the Commissioner of Conservation and Others dated June 3, 2002 was sent notifying the Commissioner of Conservation and all parties and owners, who had received the Pre-Application Notice, that, in accordance with the Rules of Procedure, the tentatively scheduled conference would not be held.

Enclosed and made a part hereof are a plat outlining the proposed Cris I Sand, Reservoir A, SUA, Vermilion Block 28 Field, Offshore Vermilion Parish, Louisiana, and a revised list of the names and addresses of the Interested Owners, Represented Parties and Interested Parties to whom this notice is being sent. I hereby certify that a reasonable effort was made to ascertain the names and addresses of all interested owners, represented parties and interested parties.

Pursuant to the Revised Rules of Procedure, a copy of the list of the names and addresses of the interested owners, represented parties and interested parties is not being mailed to those parties along with this Pre-Application Notice. Should any such party desire a copy of this list, however, we will be glad to provide one upon request.

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Upon receipt of the Legal Notice in the captioned matter, the Legal Notice will be posted, published and mailed in accordance with Rule 7 of the Rules of Procedure.

Any pertinent data relating to the proposed unit can be obtained, AT THE COST OF THE REQUESTING PARTY, from Mr. Louis Gilbert, Louis Gilbert & Associates, Inc., 3636 North Causeway Boulevard, Suite 204, Metairie, La, 70002-7216 (504) 834-8112.

Finally, there is enclosed our firm's check on behalf of the Applicant, Dunhill Resources I, LLC, in the sum of \$700.00 made payable to the Office of Conservation representing the required application fee pursuant to Statewide Order 29-R-01/02.

As always, if you have any questions, please feel free to call me at your earliest convenience.

Thanking you in advance for your usual courtesies and cooperation, I remain,

Very truly yours,

MJR,III/
GAMDE-NO-136199-1

(Enclosures)

cc: (with plat and list of parties)

Mr. Richard D. Hudson

District Manager

Office of Conservation, Lafayette District

cc: (with plat only)

All Interested Owners, Interested Parties and

Represented Parties

